



Pearson
Edexcel

Examiners' Report
Principal Examiner Feedback

Summer 2024

Pearson Edexcel International GCSE
in Accounting (4AC1)
Paper 02R: Macroeconomics and the Global
Economy

Edexcel and BTEC Qualifications

Edexcel and BTEC qualifications are awarded by Pearson, the UK's largest awarding body. We provide a wide range of qualifications including academic, vocational, occupational and specific programmes for employers. For further information visit our qualifications websites at www.edexcel.com or www.btec.co.uk. Alternatively, you can get in touch with us using the details on our contact us page at www.edexcel.com/contactus.

Pearson: helping people progress, everywhere

Pearson aspires to be the world's leading learning company. Our aim is to help everyone progress in their lives through education. We believe in every kind of learning, for all kinds of people, wherever they are in the world. We've been involved in education for over 150 years, and by working across 70 countries, in 100 languages, we have built an international reputation for our commitment to high standards and raising achievement through innovation in education. Find out more about how we can help you and your students at: www.pearson.com/uk

Summer 2024

Publications Code 4AC1_02_2406_ER

All the material in this publication is copyright

© Pearson Education Ltd 2024

General

Centres are again to be congratulated on their preparation of students for the June 2024 IGCSE accounting examination. Well prepared students were able to again demonstrate a good understanding of bookkeeping and accounting.

As will be seen from my detailed comments below, there continues to be issues around the inclusion of incorrect labels in financial statements, often the use of old terminology. Centres are advised to concentrate on this when preparing students for examination.

It was pleasing to note that questions requiring a discursive response did show some signs of improvement but students need to be aware of the significance of these questions if they are to access higher grades. Again, centres are advised to concentrate on this when preparing students for examination.

Report on individual questions

Questions 1

The question focussed on the financial statements of a sole trader business.

(a) Candidates were required to prepare an income statement for a business from a list of data provided, taking into account depreciation on non-current assets, goods taken for personal use and adjustments to expenses in respect of accrued and prepaid expenses. Overall performance in this task was very good though some candidates are still using old terminology or abbreviating account headings. These faults will be penalised. A common error was to include the opening provision for depreciation as part of the expense for the year.

(b) Candidates were told that the partners were considering two options to improve the financial record keeping and were required to discuss both options and advise which should be chosen. Responses were very mixed with option 1, employing a part-time bookkeeper seldom gaining more than one mark for identification. Option 2, purchasing an accounting software package was generally answered more fully with candidates offering valid development for the point they had identified. Most candidates included advice based on their response as was required for the final mark.

Question 2

The question also focussed on financial statements of a sole trader and secondly on accounting ratios.

(a) Candidates were given a list of balances for the trader at the end of the year and were required to prepare the statement of financial position. Well prepared candidates were able to gain good marks for the task. The most common errors were a failure to deduct the allowance for doubtful debts from the trade receivables to show the net figure and also, once again, a failure to use new terminology for labels.

(b)(i) Candidates were required to calculate the current (working capital) and the liquid (acid test) ratio for the business. A majority of candidates were able to state the correct formula for each ratio to gain two marks. Calculation of the ratios was mixed – several candidates failed to express the ratio to two decimal places as required in the question and therefore failed to be awarded the remaining two marks.

(b)(ii) Having calculated the ratios, candidates were required to evaluate both ratios and state whether the trader should be satisfied with the figures. There were many good evaluative comments on the ratios but several candidates failed to address whether the trader should be satisfied to be awarded the final mark.

(c) Required candidates to state one difference between profitability and liquidity and many candidates either offered no response or failed to recognise the difference. The most common incorrect answers described the difference between profit and cash rather than profitability (i.e. the ability to earn profit).

(d) The final task asked why it is necessary to adjust for other receivables and other payables with reference to a relevant accounting concept. The relevant concept is matching / accruals but many candidates incorrectly referenced the prudence concept. Those candidates who gave the correct concept generally gave a good explanation for a further three marks.

Points for future sessions

I shall once again repeat advice that I have recorded on previous reports.

- Candidates must provide the correct format for all financial statements using the correct new terminology and should not use any abbreviated labels.
- When responding to questions which require prose responses students should be guided by the numbers of marks allocated and structure their responses in a logical manner.

- When dealing with explain or discuss questions, candidates must always offer development of an identified point in order to gain all of the available marks.
- When dealing with evaluative questions students should always provide a conclusion which sums up and supports their findings.

Grade Boundaries

Grade boundaries for this, and all other papers, can be found on the website on this link: <http://www.edexcel.com/iwantto/Pages/grade-boundaries.aspx>

